Ontario

REPORT OF THE INFLATION RESTRAINT BOARD

For the Period

December 15, 1984 to December 14, 1985

Ontario

Inflation
Restraint
Board

P.O. Box GMS 30
Queen's Park
Toronto, Ontario
M7A 1N3

HONOURABLE ROBERT NIXON

TREASURER OF ONTARIO AND MINISTER OF ECONOMICS

SIR:

On behalf of the members of the Inflation Restraint Board, I am pleased to present the Board's Annual Report for the period commencing December 15, 1984 and ending December 14, 1985. This report of the Board's activities is made pursuant to Section 35 of the Inflation Restraint Act, 1982, and Section 19 of the Public Sector Prices and Compensation Review Act, 1983.

Respectfully submitted,

J.L. Biddell, FCA,

Chairman

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HONOURABLE MONTE KWINTER

MINISTER OF CONSUMER AND COMMERCIAL RELATIONS

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J.L. Biddell, FCA,

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INTRODUCTION

During the period covered by this report, the Inflation Restraint Board was responsible for the administration of two statutes. The first is An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. This Act was given Royal Assent on December 15, 1982 and has the short title of the Inflation Restraint Act, 1982. The second is An Act to provide for the Review of Prices and Compensation in the Public Sector and for an orderly Transition to the Resumption of full Collective Bargaining. This Act was given Royal Assent on December 16, 1983 and has the short title of the Public Sector Prices and Compensation Review Act, 1983.

Both of these Acts require the Board to make an annual report of its activities. This is the third such report relating to the Inflation Restraint Act, 1982 and the second report under the Public Sector Prices and Compensation Review Act, 1983. This report covers the period from December 15, 1984 to December 14, 1985. During that period the Board met on 9 occasions.

The Inflation Restraint Act, 1982 established, for those employees subject to its provisions, a period during which compensation increases were strictly limited. At the expiry of this control period, the majority of public sector employees became subject to a further restraint period as defined by the Public Sector Prices and Compensation Review Act, 1983. During this latter period, increases in total group compensation were to be assessed according to certain criteria established by the Treasurer of Ontario and Minister of Economics. All changes to group compensation plans made in this period were to be reported to the Inflation Restraint Board prior to implementation.

During the year, the Board's activities related to matters arising under the Inflation Restraint Act, 1982 were minimal while activities related to the Public Sector Prices and Compensation Review Act, 1983 represented the Board's assessment of the changes in compensation reported by administrators under that Act. Subsequent sections of this report will review the Board's activities under each of these Acts.

REPORT ON ACTIVITIES RELATED TO PUBLIC SECTOR COMPENSATION

A. INFLATION RESTRAINT ACT, 1982

Since the compensation plans of all administrators subject to the Inflation Restraint Act had completed their control year by October 2, 1984, the activities of the Board relating to this Act were minimal. Two decisions, both involving a request for an interpretation of the legislation as it applied to specific provisions in a compensation plan, were rendered by the Board.

B. PUBLIC SECTOR PRICES AND COMPENSATION REVIEW ACT, 1983

Under Part I of the Public Sector Prices and Compensation Review Act, the Treasurer of Ontario and Minister of Economics was given the authority to issue criteria to guide those who were responsible for the establishment of compensation levels during a group compensation plan's restraint period. In addition, the legislation required that when a change to a compensation plan was being proposed, a report detailing the cost of the proposed change was to be filed with the Inflation Restraint Board prior to the change being implemented. The legislation also required the Board to keep the Treasurer advised of the changes taking place in public sector compensation levels, and in particular, to highlight to the Treasurer those instances where increases were inconsistent with the criteria.

During the period covered by this report the Board continued to receive reports from administrators on proposed changes to group compensation plans. These changes were filed in accordance with Section 6 of the Public Sector Prices and Compensation Review Act, 1983. Reports describing changes to some 899 group compensation plans and affecting approximately 217,600 employees were filed with the Board. These reports represent the majority of the remaining filings to be made under the Act. In combination with reports filed prior to this period, total filings represent approximately 95 percent of the employees estimated as being covered by the Act. To provide an overview of the entire program, the tables in Appendix 3 illustrate the changes in compensation reported under the Public Sector Prices and Compensation Review Act.

ACKNOWLEDGMENTS

The Board required the assistance and co-operation of many individuals and organizations in fulfilling its obligations during the year. The Board acknowledges its indebtedness and expresses its appreciation to all who assisted it. In particular, the Board expresses its gratitude to the many compensation plan administrators and employees who co-operated in the administration of the Inflation Restraint Act, 1982 and the Public Sector Prices and Compensation Review Act, 1983. In addition, the Board wishes to express its gratitude to its staff for their efficiency, dedication and support throughout the year.

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APPENDIX 1

MEMBERSHIP OF THE INFLATION RESTRAINT BOARD

Chairman

John L. Biddell, FCA

Vice-Chairman

William A.B. Anderson

Members

John S. Dewar
Marnie Paikin
Max Saltsman
David L. Tough

APPENDIX 2

STAFF OF THE INFLATION RESTRAINT BOARD

D.R. Peebles	Executive Director
E.A. McKee	Manager
J.W. Irvine	Secretary to the Board
E.D. Greathed	Executive Co-ordinator, Monitoring
P.L. Weingarden	Director of Operations
C.M. Chesney	Co-ordinator, Information
P. Lam	Co-ordinator, Operations
C. E. Barber	Group Leader, Screening
S. Cameron	Compensation Analyst
M. Clark	Operations Clerk
P. Ebelshauser	Data Entry Clerk
P.K. Forrest	Mail/Messenger Clerk
R.G. Harbick	Planning Analyst
H.D. Harris-Atamaniuk	Word Processing Operator
C. Juopperi	Receptionist
H. McLafferty	Secretary
S.E. Morrison	Secretary
A.M. Natalizio	Information Officer
D.M. Paterson	Secretary
R. Venditti	Screening Clerk

* The above listing represents those employees on staff at the commencement of the reporting period. As the administrative operations of the Board diminished, the staff complement was gradually reduced during the year.

APPENDIX 3

CHANGES TO GROUP COMPENSATION PLANS

The following tables present particulars on the changes in compensation occurring by employee group, by different sectors of the public service, by union and non-union representation, and by designated occupational class. Also provided is a table identifying the changes in compensation arising as a result of arbitration awards. In particular, the following features should be noted;

1. The statistics presented in the tables are produced from data contained in the reports on changes in group compensation submitted by public sector administrators since December 16, 1983 when the Public Sector Prices and Compensation Review Act came into effect.

2. The changes in compensation cover the twelve month "restraint period" as defined by the Act for a group compensation plan. Therefore, the statistics reflect changes occurring to plans during twelve month periods commencing between October 2, 1983 and October 1, 1984, inclusive.

3. The statistics reflect changes in total compensation; that is, wages, salaries, benefits, perquisites and other payments.

4. Annual compensation figures reflect data reported for both full time employees (i.e. regular work week in excess of 30 hours) and permanent part-time employees (i.e. thirty hours or less per week and employed on a regular weekly basis).

5. The weighted average compensation reported in the tables reflects a weighting of the statistics by the number of employees in each compensation plan filed under the program. It has been obtained by multiplying the average compensation rate reported for each plan by the number of employees in the plan and dividing the sum of the products by the total number of employees.

TABLE - A

AVERAGE PERCENTAGE CHANGE IN COMPENSATION BY TYPE OF EMPLOYEE GROUP

EMPLOYEE GROUP	NUMBER OF PLANS	NUMBER OF EMPLOYEES	PERCENTAGE CHANGE IN COMPENSATION	
			Weighted Average	Arithmetic Average
Elected and Appointed Officials	338	3,249	6.05	6.43
Executive	465	5,384	5.10	5.26
Other				
o Union	1,773	400,579	5.66	5.56
o Non Union	3,567	159,431	5.14	5.54
TOTAL	6,143	568,643	5.51	5.57

Source: Inflation Restraint Board

TABLE B

PERCENTAGE CHANGE IN COMPENSATION BY SELECTED INTERVALS AND TYPE OF COMPENSATION GROUP

BY NUMBER OF PLANS

PERCENTAGE CHANGE IN COMPENSATION	EMPLOYEE GROUP				ALL GROUPS
	ELECTED AND APPOINTED OFFICIALS	EXECUTIVE	UNION	NON-UNION	
Under 4%	43	48	64	276	431
4.00 - 5.00%	212	273	764	1,962	3,211
5.01 - 6.00%	39	84	622	763	1,508
6.01 - 7.00%	5	20	147	192	364
7.01 - 8.00%	5	9	74	78	166
8.01 - 9.00%	3	2	40	84	129
9.01 - 10.00%	3	9	19	43	74
More Than 10%	28	20	43	169	260
TOTAL	338	465	1,773	3,567	6,143

Source: Inflation Restraint Board

TABLE C

PERCENTAGE CHANGE IN COMPENSATION BY SELECTED INTERVALS AND TYPE OF COMPENSATION GROUP

BY NUMBER OF EMPLOYEES

PERCENTAGE CHANGE IN COMPENSATION	EMPLOYEE GROUP				ALL GROUPS
	ELECTED AND APPOINTED OFFICIALS	EXECUTIVE	UNION	NON-UNION	
Under 4%	303	245	5,303	6,778	12,629
4.00 - 5.00%	2,211	2,609	74,401	99,598	178,819
5.01 - 6.00%	320	2,217	210,244	40,467	253,248
6.01 - 7.00%	74	106	82,946	5,904	89,030
7.01 - 8.00%	45	101	20,328	2,586	23,060
8.01 - 9.00%	13	8	2,544	1,631	4,196
9.01 - 10.00%	25	37	1,624	600	2,286
More Than 10%	258	61	3,189	1,867	5,375
TOTAL	3,249	5,384	400,579	159,431	568,643

Source: Inflation Restraint Board

TABLE-D

AVERAGE PERCENTAGE CHANGE IN COMPENSATION BY SECTOR AND SELECTED SUB-GROUPS

SECTOR/SUB-GROUP	NUMBER OF PLANS	NUMBER OF EMPLOYEES	BASE PERIOD WEIGHTED AVGE. ANNUAL COMP.	WEIGHTED AVGE. PCTGE. CHANGE IN COMPENSATION	RESTRAINT PERIOD WEIGHTED AVGE. ANNUAL COMP.
			$	%	$
PROVINCIAL GOVERNMENT	56	72,790	30,272	5.68	31,991
LOCAL GOVERNMENT	1,979	85,012	27,825	5.18	29,266
o General Administration	1,682	61,823	25,048	5.09	26,323
o Police	214	15,509	34,462	5.50	36,357
o Fire	83	7,680	36,777	5.08	38,645
EDUCATIONAL SERVICES	1,198	186,327	32,423	5.87	34,326
o School Boards	778	130,818	32,801	6.05	34,785
o Universities	171	34,891	32,644	5.22	34,348
o Other Post-Secondary Institutions	12	14,075	35,055	6.00	37,158
o Libraries, Museums and Other	237	6,543	18,020	5.44	19,000
HEALTH AND SOCIAL SERVICES	2,324	168,585	23,049	5.38	24,289
o General Hospitals	933	121,421	24,069	5.27	25,337
o Specialty Hospitals	139	6,904	23,885	5.53	25,206
o Nursing and Old Age Homes	410	15,951	16,064	6.31	17,078
o Other Health and Social Services	842	24,309	22,297	5.51	23,526
UTILITIES	496	37,894	40,043	4.80	41,965
TRANSPORTATION	29	11,885	30,536	5.27	32,145
MISCELLANEOUS	61	6,150	30,191	5.63	31,891
TOTAL	6,143	568,643	29,125	5.51	30,730

Source: Inflation Restraint Board

TABLE-E

AVERAGE PERCENTAGE CHANGE IN COMPENSATION FOR UNIONIZED AND NON-UNIONIZED PLANS BY MAJOR PUBLIC SECTOR AND SELECTED SUB-GROUPS

SECTOR/SUB-GROUP	UNION PLANS			NON-UNION PLANS		
	NUMBER OF PLANS	NUMBER OF EMPLOYEES	WT. AVG. % CHANGE IN COMPENSATION	NUMBER OF PLANS	NUMBER OF EMPLOYEES	WT. AVG. % CHANGE IN COMPENSATION
PROVINCIAL GOVERNMENT	18	56,464	5.83	38	16,326	5.16
LOCAL GOVERNMENT	565	60,566	5.18	1,414	24,446	5.19
o General Administration	346	37,836	5.08	1,336	23,987	5.18
o Police	145	15,072	5.48	69	437	5.94
o Fire	74	7,658	5.08	9	22	5.66
EDUCATIONAL SERVICES	463	139,540	6.10	735	46,787	5.19
o School Boards	339	111,806	6.18	439	19,012	5.31
o Universities	62	12,016	5.40	109	22,875	5.12
o Other Post-Secondary Institutions	4	12,236	6.18	8	1,839	4.80
o Libraries, Museums and Other	58	3,482	5.73	179	3,061	5.14
HEALTH AND SOCIAL SERVICES	540	102,494	5.53	1,784	66,091	5.15
o General Hospitals	200	82,145	5.46	733	39,276	4.87
o Specialty Hospitals	10	861	6.06	129	6,043	5.00
o Nursing and Old Age Homes	161	10,153	6.27	249	5,798	6.37
o Other Health and Social Services	169	9,335	5.27	673	14,974	5.47
UTILITIES	154	26,424	4.74	342	11,470	4.96
TRANSPORTATION	21	11,510	5.28	8	375	4.73
MISCELLANEOUS	12	3,581	5.85	49	2,569	5.27
TOTAL	1,773	400,579	5.66	4,370	168,064	5.15

Source: Inflation Restraint Board

TABLE - F

WEIGHTED AVERAGE PERCENTAGE CHANGE IN COMPENSATION BY OCCUPATIONAL CLASS BY SECTOR

SECTOR/SUB-GROUP	ALL EMPL.	EXEC.	OTHER MGM'T.	PROF.	TECH.	TEACHERS	NURSES	PROD. SRV. CLER.	OTHER
PROVINCIAL GOVERNMENT	5.68	5.00	5.00	5.36	5.04	5.00	--	6.02	5.91
LOCAL GOVERNMENT	5.18	5.19	5.11	5.34	5.19	--	5.66	5.09	5.10
o Police	5.50	5.68	6.06	5.50	4.65	--	--	6.59	5.48
o Fire	5.08	5.58	--	5.08	--	--	--	5.95	4.90
EDUCATIONAL SERVICES	5.87	5.12	4.99	5.53	5.30	6.25	--	5.47	5.13
o Public Elem. Teachers	6.23	--	--	--	--	6.23	--	--	--
o Public Sec. Teachers	6.20	--	--	--	--	6.20	--	--	--
o Public Other Staff	5.46	4.88	5.23	5.00	5.30	--	--	5.51	5.25
o RCSS Teachers	6.53	--	--	--	--	6.53	--	--	--
o RCSS Other Staff	5.43	6.05	4.97	5.62	6.94	--	--	5.44	5.42
o Universities	5.22	4.97	4.93	5.53	5.30	5.21	--	5.40	5.03
o Other Post-Secondary	6.00	4.56	--	4.91	--	7.00	--	4.70	4.94
HEALTH AND SOCIAL SERVICES	5.38	5.05	5.37	5.00	4.90	9.70	5.59	5.35	5.34
o General Hospitals	5.27	4.82	5.16	4.93	4.90	--	5.59	5.22	4.97
o Old Age and Nursing Homes	6.31	5.49	7.43	5.06	--	--	6.11	6.04	6.50
UTILITIES	4.80	5.02	4.88	4.91	4.65	--	--	4.86	4.52
TRANSPORTATION	5.27	5.00	4.74	--	5.18	--	--	5.25	5.37
MISCELLANEOUS	5.63	5.92	5.18	4.53	--	--	--	5.41	5.75
TOTAL	5.51	5.11	5.08	5.26	5.00	6.24	5.59	5.32	5.35

Note: Excludes volunteers, elected and appointed officials.
Source: Inflation Restraint Board

TABLE-G

RESTRAINT PERIOD CHANGES IN COMPENSATION RESULTING FROM ARBITRATION

SECTOR	NO. AWARDS	NO. EMPLOYEES	WT AVG. % CHANGE IN COMPENSATION
PROVINCIAL GOVERNMENT	12	52,884	5.91
LOCAL GOVERNMENT	21	15,894	5.41
o Police	16	8,176	5.48
o Fire	2	299	5.53
o Transit	3	7,419	5.33
EDUCATION	2	8,343	6.85
o RCSSB	1	1,060	5.81
o Other Post-Secondary	1	7,283	7.00
HEALTH AND SOCIAL SERVICE	64	53,682	5.63
o General Hospitals	28	49,077	5.58
o Nursing and Old Age Homes	30	3,004	6.60
o Other	6	1,601	5.23
TOTAL	99	130,803	5.79

Source: Inflation Restraint Board